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2011 ANNUAL LABOR AND EMPLOYMENT STATUS
(Comparative annual estimates for 2010 and 2011)

Philippines	2011	2010
Population 15 years and over (in '000)	61,882	60,717
Labor Force Participation Rate (%)	64.6	64.1
Employment Rate (%)	93.0	92.7
Unemployment Rate (%)	7.0	7.3
Underemployment Rate (%)	19.3	18.8

Note: Computation for the annual estimates includes the preliminary results of October 2011 rounds of LFS. The computation for the 2010 annual estimates is based on final results of the four quarter surveys.

Source: National Statistics Office, 2010 and 2011 Labor Force Survey (LFS)

In 2011, out of the 61.9 million population 15 years old and over, about 40.0 million were in the labor force or economically active. This figure translates to an annual labor force participation rate (LFPR) of 64.6 percent. In 2010, the LFPR was 64.1 percent. Among regions, MIMAROPA and Northern Mindanao registered the highest annual LFPR both at 70.0 percent, while ARMM posted the lowest at 55.6 percent (Table 1).

The annual employment rate or the proportion of employed persons to total labor force in 2011 was estimated at 93.0 percent. This rate is slightly higher than the annual estimate in 2010, which was 92.7 percent. There were four regions with employment rate less than the annual national rate: National Capital Region (lowest at 88.7%), CALABARZON (90.3%), Ilocos Region and Central Luzon (both 91.5%). The regions that posted an employment rate higher than 95 percent were: Cagayan Valley (highest at 97.1%). Zamboanga Peninsula (96.8 %), the Autonomous Region of Muslim Mindanao or ARMM (96.6 %), MIMAROPA and SOCCSKSARGEN (both at 96.1%), and Northern Mindanao (95.5%).

In terms of level, the total employed population in 2011 was estimated at 37.2 million persons (Table 2). More than half (52.2%) were engaged in the services sector; about one-third (33.0%) were in agriculture; and one in every seven (14.9%) was in the industry sector. Among those employed in the services sector, the largest group comprised of workers in the wholesale and retail, repair of motor vehicles, motorcycles and personal and household goods, making up 20 percent of the total employed population.

Among the various occupation groups, the laborers and unskilled workers comprised the largest group (32.6%). This was followed by farmers, forestry workers and fishermen (15.4%); officials of the government and special interest organizations, corporate executives, managers, managing proprietors and supervisors (14%) and service workers

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and shop and market sales workers (11.1%). The rest of the occupation groups each comprised less than 10 percent, ranging from 0.4 to 7.4 percent.

The majority of the employed persons were wage and salary workers (55.2%). Most of them worked in private establishments (41.5% of the total employed). About 30 percent of the employed persons was self-employed workers without any paid employee while almost four percent were employers in own family-operated business or farm. Nearly 12 percent worked without pay in own family-operated farm or business (Table 2).

As to their working hours, about 63 percent of the total employed persons were full-time workers or have worked for at least 40 hours a week. The average weekly working hours was around 41 hours (Table 2).

Meanwhile, the number of underemployed persons in 2011 was estimated at 7.2 million, representing an annual underemployment rate of 19.3 percent (Table 3). The underemployed workers are employed persons who express the desire to have additional hours of work in their present job or to have additional job, or to have a new job with longer working hours.

Of the total underemployed persons, 59 percent were reported as visibly underemployed or working less than 40 hours during the reference week. Those working 40 hours or more accounted for 39.4 percent of the total underemployed (Table 3). Among regions, Bicol (35.4%) recorded the highest underemployment rate, while Central Luzon (11.1%) had the lowest (Table 1).

About 2.8 million Filipinos were unemployed in 2011, which translates into an unemployment rate of 7.0 percent for the year. Among the unemployed, 63.0 percent were males. Forty-five percent of the unemployed have reached high school; 42.0 percent have attained college education; and 12.6 percent have attained at most an elementary level.


CARMELITA N. ERICTA
Administrator

Technical Notes

The annual labor and employment statistics presented in this release used the average estimates of the four Labor Force Survey (LFS) rounds conducted by the National Statistics Office (NSO) on a quarterly basis for 2010 and 2011. The use of the average estimates for annual LFS data was based on the *Official Methodology for Generating Annual Labor and Employment Estimates* per NSCB Resolution No. 9, Series of 2009 approved on the 6th day of July 2009.

The methodology uses the following formula to estimate employment, unemployment, underemployment and labor force participation rates: $Z_i = (\sum_j X_{ij} / \sum_j Y_{kj}) \times 100$

where

Z_i = annual estimate for the rate of i where i refers to employment, unemployment, underemployment and labor force participation

X_{ij} = estimate for the population of i for the j^{th} round of LFS where

i refers to employed, unemployed, underemployed and labor force, and

j refers to the four rounds of LFS: January, April, July and October

Y_{kj} = estimate for the population of k for the j^{th} round of LFS where

k refers to labor force, employed persons and persons 15 years old and over, and

j refers to the four rounds of LFS: January, April, July and October

The methodology was deemed the most appropriate among methodologies reviewed and evaluated for the following reasons: a) it captures the labor and employment situation in all four quarters of the year; b) the generation or cross tabulations (e.g., by class of workers, by occupation group) is more feasible for producer of estimates; c) it is the closest method for estimating the number of persons who work four times for the entire year; and d) these estimates are being used by the Department of Labor and Employment (DOLE) and its attached agencies and regional offices for planning/formulation of intervention programs.

Source: Income and Employment Statistics Division
Household Statistics Department
National Statistics Office
Manila, Philippines